

**STATEMENT OF  
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THE AMERICAN LEGION  
BEFORE THE  
SUBCOMMITTEE ON BENEFITS  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
ON  
H.R. 1291, 21<sup>ST</sup> CENTURY MONTGOMERY GI BILL ENHANCEMENT ACT**

**MAY 24, 2001**

Mr. Chairman and Members of the Subcommittee:

The American Legion appreciates the opportunity to participate in today's hearing to address H.R. 1291, the "21<sup>st</sup> Century Montgomery GI Bill Enhancement Act."

The American Legion commends this Subcommittee for its actions, which resulted in improvements to the current Montgomery GI Bill (MGIB) through enactment of Public Law 106-419. In particular, the provision on licensure and credentialing greatly enhances the benefits available under the MGIB. Nonetheless, a stronger MGIB is necessary to provide the nation with the caliber of individuals needed in today's armed forces. H.R. 1291 is a good starting point to address the overall recruitment and retention needs of the armed forces and to focus on current and future educational requirements of the All-Volunteer Force.

Over 96 percent of recruits currently choose to enroll in the MGIB and pay \$1,200 out of their first year's pay to guarantee eligibility. However, only one-half of these military personnel use any of the current MGIB benefits. This is due in large part because current MGIB benefits have not kept pace with increased costs of education. Costs for attending the average four-year public institution as a commuter student during the 1999-2000 academic year were nearly \$9,000. Public Law 106-419 recently raised the basic monthly rate of reimbursement under MGIB to \$650 per month for a successful four-year enlistment and \$528 for an individual whose initial active duty obligation was less than three-years. The current educational assistance allowance for persons training full-time under the MGIB – Selected Reserve is \$263 per month. Although extremely useful, the MGIB educational allowance improvements enacted under P. L. 106-419 have not addressed the fundamental shortcomings of the program. Data today suggests that one-fourth of all enlistees, who enroll in MGIB, complete a four-year degree of higher education.

The Servicemen's Readjustment Act of 1944, the original GI Bill, provided millions of members of the armed forces an opportunity to seek higher education. Many of these individuals may not have taken advantage of this opportunity without the generous provisions of that law. Consequently, these servicemen and servicewomen

made a substantial contribution to not only their own careers but to the well being of the country. Today, a similar concept applies. The educational benefits provided to members of the armed forces must be sufficiently generous to have an impact. The individuals who use MGIB educational benefits are not only taking the necessary steps to enhance their own careers, but also, by doing so, will make a greater contribution to their community, state, and nation.

H.R. 1291 would amend section 3015(a)(1) of title 38, United States Code, to increase the amount of MGIB educational benefits for veterans with four-years of active duty. For an approved program of education pursued on a full-time basis, the monthly rate of educational benefits would increase over three years by \$150 per month per year, beginning with Fiscal Year (FY) 2002. When complete in FY 2004, H.R. 1291 would set the monthly MGIB reimbursement rate at \$1,100 per month for 36 months. Thereafter, the monthly amount would be adjusted based on the Consumer Price Index.

H.R. 1291 would also amend section 3015(b)(1) of title 38, United States Code, to increase the amount of MGIB educational benefits for veterans with more than two years but less than three years of active duty. Beginning with FY 2002, the monthly benefit would increase from the present \$528 per month to \$650 per month. The amount of the educational benefit would increase to \$894 per month in FY 2004, and would be adjusted thereafter based on the Consumer Price Index.

Mr. Chairman, The American Legion supports the provisions of H.R. 1291. Increasing the educational benefit available through the MGIB will provide a better incentive to veterans to complete a program of higher education. Conversely, several important enhancements are not incorporated into the bill. Among these are eliminating the required \$1,200 “buy-in” payment. The American Legion believes that veterans earn this benefit through the risks, sacrifices, and responsibilities associated with military service. Eliminating the “buy-in” provision would automatically enroll veterans’ in the MGIB. Veterans would become eligible to receive the earned benefit through meeting the terms of their enlistment contract and by receiving an honorable discharge.

The American Legion is also concerned that H.R. 1291 does not increase the rate of educational benefits earned by members of the Select Reserves. Today, the All-Volunteer military relies on the National Guard and the Reserves to meet its force requirements. Individuals serving in the Select Reserves can be activated to duty at a moment’s notice. Oftentimes, these units reinforce the active-duty military around the globe, as is presently the case in the Balkans. The American Legion believes that members of the National Guard and the Reserves should receive a substantial increase in MGIB educational benefits.

The American Legion advocates that the following provisions must become part of any successful overhaul of the current MGIB:

- **The dollar amount of the entitlement should be indexed to the average cost of a college education including tuition, fees, textbooks, and other supplies for a**

**commuter student at an accredited university, college, or trade school for which they qualify;**

The American Legion supports indexing the monthly MGIB payment to the average costs of a college education or trade school tuition. The MGIB would then be adjusted on an annual basis to include tuition, and other associated costs, and includes a separate monthly stipend. With these provisions, veterans would be provided educational benefits on par with the first recipients of the original GI Bill.

- **The educational cost index should be reviewed and adjusted annually;**

The Chronicle of Higher Education Almanac annually publishes the average costs at four-year public and private colleges for commuter students and at two-year colleges.

- **A monthly tax-free subsistence allowance indexed for inflation must be part of the educational assistance package;**

Veterans must receive a monthly income stipend in addition to tuition assistance.

- **Enrollment in the MGIB shall be automatic upon enlistment, however, benefits will not be awarded unless eligibility criteria have been met;**

Servicemembers would no longer have to elect to enroll in the MGIB upon enlistment. Enrollment in the MGIB would become automatic upon commencement of active duty service, or active duty service for training purposes. Veterans would still have to meet the MGIB eligibility criteria in order to receive educational benefits.

- **The current military payroll deduction (\$1200) requirement for enrollment in MGIB must be terminated;**

The MGIB would rightly become an earned benefit rather than a participatory benefit.

- **If a veteran enrolled in the MGIB acquired educational loans prior to enlisting in the armed forces, MGIB benefits may be used to repay existing educational loans;**

The American Legion strongly supports this measure.

- **If a veteran enrolled in MGIB becomes eligible for training and rehabilitation under Chapter 31, of Title 38, United States Code, the veteran shall not receive less educational benefits than otherwise eligible to receive under MGIB;**

If a veteran becomes eligible for vocational rehabilitation training, they would not receive less educational assistance than under the provisions of Chapter 30 of Title 38, United States Code.

- **A veteran may request an accelerated payment of all monthly educational benefits upon meeting the criteria for eligibility for MGIB financial payments, with the payment provided directly to the educational institution;**

The American Legion supports providing advanced educational payments, as required, directly to the qualified educational institution.

- **Separating servicemembers and veterans seeking a license or credential must be able to use MGIB educational benefits to pay for the cost of taking any written or practical test or other measuring device;**

The American Legion commends the action taken in P. L. 106-419 that enables veterans to use MGIB eligibility to enroll in certified education courses to obtain state licenses and certification in specialty occupations.

- **Eligible veterans shall have 10 years after discharge to utilize MGIB educational benefits; and**

This provision requires no change in current law.

- **Eligible members of the Select Reserves, who qualify for MGIB educational benefits shall receive not more than half of the tuition assistance and subsistence allowance payable under the MGIB and have up to 5 years from their date of separation to use MGIB educational benefits.**

The American Legion strongly encourages Congress to increase the rate of MGIB payments to members of the National Guard and the Reserves. Today's Total Force Concept places a greater reliance on the National Guard and the Reserves. Citizen soldiers who choose to enlist in the Select Reserves must be provided additional compensation to further their individual education.

The American Legion believes that all of these provisions are equally important to providing the appropriate and necessary enhancements to the current MGIB.

Mr. Chairman, that concludes my statement.